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FIRST COUNTRY COOPERATION FRAMEWORK FOR GUYANA (1997-1999)

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INTRODUCTION

1. The country cooperation framework (CCF) for Guyana was prepared by the Government in order to explain how the resources and other cooperation available through UNDP during the new programming cycle could be utilized to address some of Guyana's most pressing development needs. This CCF also outlines what the Government considers to be the best options and strategies for promoting sustainable human development (SHD), in partnership with UNDP, based on Guyana's needs and UNDP mandates, strengths and comparative advantages.

2. The CCF is based on the Government's policies, plans and strategies as adumbrated in diverse policy documents such as the draft national development strategy; sector strategy papers for health and nutrition, education, agriculture, environment, and housing; the 1997 national budget presentation; as well as the Policy Framework Paper, 1996-1998, prepared in March 1996 by the Government of Guyana in collaboration with the International Monetary Fund (IMF) and the World Bank. Data have been taken from the Household Income and Expenditure Survey, and the Living Standards Measurement Survey, both produced in 1992-1993; and other official publications. Government agencies, non-governmental organizations (NGOs), various partners from civil society, as well as United Nations system agencies and other donors were consulted and involved in the preparation of the CCF, which also benefited from the analyses and proposals contained in the Advisory Note presented to the Government by UNDP.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. Guyana is currently in the seventh year of its Economic Recovery Programme (ERP) initiated in 1989, and a concurrent IMF/World Bank-supported Structural Adjustment Programme (SAP) that began in 1990. Over the ensuing years of the ERP and the SAP, the exchange rate stabilized, inflation in 1996 moderated to less than 5 per cent, real annual growth rates were recorded at an average of over 5 per cent, and there is now in Guyana a real sense of economic and political freedom.

4. Guyana's principal development goals for the medium to long term are as follows: (a) the promotion of rapid economic growth with equity for poverty eradication, within a stable market-oriented macroeconomic framework, with the State providing an enabling policy and regulatory environment through an enhanced capacity for the efficient management of the economy; (b) diversification of the economic base and the development of new internationally competitive specializations; (c) a strengthened and expanded human resource base for the fullest realization of the potentials of all citizens and the sustainable utilization of the country's natural resources; (d) the promotion of inclusionary organs, mechanisms and practices conducive to good governance and social cohesion, and the empowerment of civil society through the fullest participation in decision-making processes; and (e) an enhanced national capacity for effective environmental monitoring and management towards ensuring sustainability and inter-generational equity in the use of

natural and environmental resources. Government is also committed to the achievement of the allocation targets and SHD goals of the 20/20 compact.

5. While all of the above goals are equally important, the Government believes that given the limited core resources available, UNDP cooperation should be focused on poverty-related areas and interventions, with an emphasis on capacity-building, institutional development, empowerment, sustainable livelihoods and environmental sustainability.

6. Guyana is classified as a country with medium human development with a human development index value of 0.663 in 1996. In 1996, it was ranked at 103 out of 174 countries, behind regional neighbours such as Barbados (25), Trinidad and Tobago (38), Belize (67) and Jamaica (86). Poverty is most pervasive in the hinterland among the indigenous communities and the rural coastal areas, with a head count of 43.2 per cent of the total population below the poverty line according to the 1992-1993 Household Survey and Living Standards Survey. Absolute poverty still afflicts over 25 per cent of the population. Among the absolute poor, 85 per cent are indigenous persons.

7. The gender development index (GDI) value for Guyana is encouraging at 0.604, giving it a GDI rank of 78 out of 137 countries. The gender empowerment measurement value for the country is 0.465, ranking it at 32 out of 104 countries. The Household Survey and Living Standards Survey estimated that of the 11 per cent unemployed during the survey period, 62 per cent were female as opposed to 38 per cent male. The Government's policy is to foster full equality and participation for women, and would welcome UNDP support in this area.

8. Despite an increase in government expenditure from approximately 2 to 7.3 per cent (1991-1996) of the national budget, the quality of education in the school system, and at vocational and tertiary levels is admittedly low and inadequate. The Government's goal is to further improve the quality, delivery and equity of access to education and training, and it again would welcome UNDP cooperation in technical and vocational training for poverty eradication and sustainable livelihoods.

9. Unemployment was comparatively modest at 11 per cent in 1993, and appears to have remained unchanged over the past four years. It was higher among women (18 per cent), youth of both sexes between 15-19 years (30 per cent), and in the rural areas among women (19 per cent). Underemployment was higher in the agricultural and mining sectors, and among the largely unskilled persons in the service trades and small-scale commercial activities. The Government is addressing this problem partly through its skills training programme and also through provision of incentives and facilities for the development of the micro-enterprise sector. It would also welcome UNDP cooperation in developing and implementing such programmes and in devising micro-credit schemes.

10. Guyana faces a number of environmental and public health problems of varying degrees of intensity. These include: urban air pollution from manufacturing and mining activities; poor water quality due to inadequate treatment and standards, and heavy use of chemical fertilizers and pest control measures in the agricultural areas; inadequate sanitation and waste disposal systems in urban and rural/interior locations; and periodic flooding in the low-

lying coastal zone due to poor drainage and irrigation and also due to sea defence systems still in need of major repairs and maintenance. In addition, environmental monitoring and management capacities need to be strengthened. The Government would welcome UNDP cooperation in the areas of institutional and HRD at the central government level, and environmental and public heath education and information at all levels.

11. Guyana is among the most heavily indebted low-income developing countries with an external debt stock of US$ 1,498.7 billion at the end of 1996. The country is currently negotiating for further reductions under the Highly Indebted Poor Countries initiative. Total domestic and scheduled external debt service as a percentage of current revenues is projected at 54.1 per cent for 1997. The Government remains interested in pursuing proposals developed by UNDP for debt-for-environment and debt-for-social development swaps.

12. The democratic process has continued to deepen in Guyana through streamlining legislation dealing with registration and elections, and by the establishment of an autonomous elections commission. The formation of a race relations commission will further strengthen social integration. The Government is pursuing a deepening of the democratic process through constitutional reform to ensure a vibrant parliamentary system; greater transparency, accountability, professionalization and integrity of the civil service; more effective and efficient provision of public services, and, inter alia, it would welcome UNDP cooperation for constitutional reform, improvements in governance and institutional capacities at the central, regional, municipal and local levels, and consensus building in the area of race relations.

II. RESULTS AND LESSONS OF PAST COOPERATION

13. The fifth country programme (1994-1996) resulted in improved capacity for planning of physical infrastructure in the aviation sector; improved standards in manufacturing; strengthened tendering procedures; improved access to educational resources and strengthened capacity for the production of health and educational learning materials; upgrading of community services in squatter settlements and depressed urban areas; improved functioning of agencies responsible for macroeconomic management; increased revenues in the central revenue collection agencies; improved efficiency, transparency and coverage of the electoral system; greater capacity for sustainable management of the environment and natural resources; and strengthening of NGOs and community-based organizations (CBOs) for income generation and poverty eradication.

14. It is the Government's view that the efficiency, impact and sustainability of such assistance can improve substantially by further developing national capacity for timely project and programme design, implementation, monitoring and evaluation; and by ensuring that adequate counterpart personnel and resources are in place. Aid coordination requires more consistent collaboration among the parties involved, coherence and dialogue. The Government recognizes that low public sector salaries and consequent loss of competent staff have somewhat limited the effectiveness of donor programmes, and it is making every effort to address this limitation. National execution will continue to be the preferred

implementation modality, with greater emphasis on timely decision-making and implementation.

III. PROPOSED STRATEGY AND THEMATIC AREAS

A. Proposed strategy

15. The Government agrees that UNDP cooperation during the new cycle should support poverty eradication as a central priority and overriding objective. It proposes an overall programme strategy for implementing UNDP cooperation based on advocacy, support to consensus-building activities, and assistance in developing strategies, capacities and programmes for poverty eradication and SHD; catalytic financing of upstream and poverty-focused activities; assistance to the Government in the areas of resource mobilization and aid coordination to support these larger programmes; and support for capacity-building through institutional and human resource development (HRD), in both Government and civil society.

16. (a) With respect to advocacy, consensus-building and assistance in developing strategies and programmes for poverty eradication, the proposed strategy will be to involve stakeholders in Government, donor agencies and civil society in a continuous dialogue through activities such as public consultations, partnerships, seminars, round tables, and technical working groups. The Government recognizes the effectiveness of utilizing a participatory process approach for determining capacity-building targets and assistance programmes. Thus, the facilitator role for UNDP technical assistance should emphasize participation and national ownership, and encourage counterparts to take the lead;

(b) In regard to upstream and poverty-focused activities, the Government is of the view that a strategy of catalytic funding concentrating on policy and institutional development, and supporting communities, groups and individuals to achieve sustainable livelihoods should be pursued. Capacity assessments of the beneficiary agencies should be carried out at the programme design, planning and implementation stages, in order to identify a critical mass of staff and thus increase prospects of allocating adequate counterpart resources; contribute to an improved work environment and conditions of service to attract and retain the necessary staff, as an essential prerequisite for sustainability; and promote ownership through the direct involvement and commitment of the beneficiary constituencies;

(c) The Government welcomes UNDP support for resource mobilization and aid coordination through assistance in developing a broad policy and programme framework within which all development partners can contribute to poverty alleviation. This framework will express itself in the implementation of a flexible and results-oriented resource mobilization strategy; convening regular policy and sectoral coordination group meetings under government leadership; training of personnel and installation of resource management systems; and actively sensitizing donors and sources of co-financing and cost-sharing. While overall resource mobilization targets are still being determined by the Government, approximately US$ 6 million will be mobilized during the cycle in

co-financing and cost-sharing contributions from the Government and other donor resources;

(d) UNDP support for capacity-building and HRD at all levels can be effectively provided through in-house and on-the-job training; professional and technical level short courses and seminars; training in technical, vocational and entrepreneurial skills; and institutional development for the creation of enabling policy environments. The Government expects to expose more than 3,000 persons to various levels of training and capacity development during the course of the cycle. Technical cooperation among developing countries, United Nations Volunteer (UNV) specialists and other delivery modalities will be utilized wherever possible. The Government fully recognizes the importance of electronic communications and databases and has already entered into a partnership with UNDP for setting up a node of the Sustainable Development Networking Programme in Guyana based on Internet connectivity.

B. Proposed programme areas

17. It is the Government's view that the focus of the Guyana CCF for the new cycle should be based on the four programme areas discussed below.

18. Capacity-building for poverty eradication and SHD - The Government's overall objective is to strengthen policy development, planning and implementation capacity at all levels and also within civil society for undertaking poverty eradication programmes. Under this programme area, the Government has identified the following entry points for UNDP cooperation during the sixth cycle: capacity-building and training for policy development and implementation in agencies involved in poverty eradication programmes; data collection, analysis, and strategy and policy development; establishment of goals and targets for poverty eradication; strengthening macroeconomic management for poverty eradication; support to the national planning process; strengthening of institutional and legal support systems, and mechanisms for the protection and advancement of the position of women; and building capacity for the development of national information systems. The Government anticipates that by the end of the cycle, UNDP cooperation would contribute to the finalization and implementation of strategies and action plans for poverty eradication and SHD; training of adequate numbers of required persons in central and local government and civil society for the implementation of such strategies and programmes; strengthened institutional capacities including up-to-date information systems, within key central and local government agencies responsible for planning, designing and implementing poverty eradication programmes; discernible improvements in the institutional, legal and support mechanisms for the protection and enhancement of women; and an increase by at least 50 per cent in the number of women in senior central and local government management positions.

19. Governance, institutional development and consensus-building - The Government's objective is to improve the institutional and other arrangements, as well as to foster democratic participation, social harmony and inclusion towards ensuring good governance. The Government has identified the following entry points for UNDP cooperation: support to the constitutional reform

process; the development and implementation of consensus-building programmes for social integration and empowerment; strengthening of local, municipal, regional and national institutions and organs of governance; support for the institutional arrangements governing the electoral process to ensure a transparent and credible democratic process; and assistance in consensus-building activities and consultations, as well as institutional development of the proposed Race Relations Commission. UNDP cooperation in this programme area is expected to result in tangible progress towards fashioning mechanisms for social integration such as the Race Relations Commission; an efficient and fully institutionalized electoral machinery; broad consensus on pressing national development issues and challenges; reform of the current constitution; and strengthened and democratized central, regional, municipal and local governance institutions based on the principles of equity of access, participation and inclusiveness.

20. Productive employment, income generation and skills training for sustainable livelihoods - The Government's objective is to address and to reduce the rather high levels of poverty that still exist in Guyana, through skills training and retraining, income generation programmes, and micro-credit facilities. Under this programme area it is proposed to utilize UNDP resources towards improving the output and productivity of small-scale rural and hinterland agricultural sectors, as well as urban and peri-urban youth who are marginalized on the basis of gender equity. The Government has identified the following entry points for UNDP cooperation: skills training for productive employment among CBOs; skills training among school drop-outs and unemployed youths; strengthening of technical and vocational training systems and institutions; support for the development of small-scale rural and hinterland agricultural sectors with special emphasis on women and indigenous producers; and development of small and micro-enterprises and micro-credit schemes. Skills training and job creation interventions in this area are expected to result in a 50 per cent decline in unemployment levels among the largely unskilled youths in the 19-24 years age group, who through lack of skill and alternatives are most vulnerable to drug abuse and crime. It is anticipated that the percentage of indigenous households falling below the poverty level will be reduced by at least 50 per cent by the end of the cycle; a similar decline in poverty levels of especially female-headed households in both rural and urban areas; a reduction of the open unemployment rate to about 8 per cent; and at least three operating micro-credit schemes addressing the needs of indigenous peoples, women producers, and micro-entrepreneurs.

21. Coordinated policy formulation, appropriate regulatory frameworks and institutional and HRD for environmental sustainability - The Government's objective is to improve national capacity for environmental management, and promote national consciousness of the need for everyone to play a role in the protection of the environment and natural resources. Under this programme area, the Government proposes the following entry points for UNDP cooperation: the establishment and institutional development of the Environmental Protection Agency (EPA); training and capacity-building at all levels for environmental monitoring and management; developing and implementing environmental and public health education and information programmes at both the formal and non-formal levels; drafting of regulations and environmental incentive schemes for the EPA, and for the mining, agro-forestry, commercial and manufacturing sectors;

assistance in accessing funding through the global environment facility for enabling activities towards fulfilling the Government's reporting responsibilities under the Biodiversity and Climate Change Conventions, and for a second consolidation phase for the Iwokrama International Rain Forest Programme; and support for securing debt-for-nature and social development swaps. UNDP cooperation is expected to contribute, inter alia, to the firm establishment of the now-embryonic EPA and to the implementation of wide-scale programmes of environmental and public health education and information. Guyana would then be able to fulfil its reporting obligations under the Biodiversity and Climate Change Conventions, further consolidation of the Iwokrama International Rain Forest Programme and the successful completion of at least one debt-for-nature and one debt-for-social development swap.

IV. MANAGEMENT ARRANGEMENTS

22. Execution of the programmes - The CCF should be implemented through the national execution modality, complemented as necessary and appropriate by cooperation arrangements with the United Nations specialized agencies. Training at all levels will be conducted to improve national capacity. The Government will continue to utilize UNDP delivery modalities such as UNVs, TCDC, transfer of knowledge through expatriate nationals and United Nations Short-term Advisory Services where appropriate for delivering substantive inputs. The Government will attempt to ensure that local counterparts are provided, and will encourage the involvement of a variety of different partners and national executing agencies in the implementation of the CCF.

23. Monitoring and review - The separate programme areas for UNDP assistance will each be subject to output and impact-oriented annual reviews, with participation by the beneficiaries of the programmes and relevant development partners. National monitoring and evaluation capacities will need to be strengthened, however, and credible and realistic benchmarks will need to be set with the collection of reliable baseline data. A comprehensive review of the CCF and regular tripartite reviews and other monitoring mechanisms will also be required. Strong monitoring and evaluation regimes will be built-in components in the programme areas, and will serve as management tools and early warning systems.

24. Resource mobilization - The Government's strategy, to the extent possible, is to utilize the programme approach and to combine resources with those of UNDP and other donors for implementation of the CCF; to seek access to UNDP non-core resources as well as the resources of its associated funds and various trust funds; and to continue to rely on UNDP for assistance in the implementation of government and other donor-funded programmes. A resource mobilization strategy document will be prepared with UNDP cooperation covering the period 1997-1999, and efforts will also be made to strengthen resource mobilization capacities in responsible government agencies through relevant training and improved databases.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR GUYANA (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	136	
TRAC 1.1.1	2 886	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	255	
Subtotal	3 277[a]	
NON-CORE FUNDS		
Government cost-sharing	6 000	
Sustainable development funds	1 725 of which: 1 450 275	 GEF SHD
Funds, trust funds and other	129	Poverty Fund
Subtotal	7 854	
TOTAL	11 131[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = global environment facility; IPF = indicative planning figure; SHD = sustainable human development; SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.